WEALTH MARKETS AND COMMERCE

Agriculture Quebec's Bent.

To the Financial Editor:

My attention has been called to the article which appeared in your issue of September 25, entitled "Quebec, the Rich Slacker," by Mr. S. Roy Weaver, of Toronto. This article is very misleading. Mr. Weaver speaks of the increased affluence of Quebec as due to the war. Fully 50 per cent of the people of Quebec are farmers and the remainder engaged in industrial and other pursuits, but so unlike is the industrial situation in Montreal to that of the Province of Ontario that comparisons are odious. Quebec will never take the place of Ontario in manufacturing. The people of Quebec are bent upon agriculture, and it is only the establishing of large corporations like the Canadian Pacific and others in Montreal that really gives the Province of Quebec any claim to industrial largeness at all. If any manufacturing development does take place in Quebec it will be the manufacturing of food products, which are the natural outcome of mixed and dairy farming. I have had the pleasure of studying this question from every angle, and have striven at all times, as an Englishman, to keep clear of any petty quibbling and bias.

HENRY W. KING.

Toronto, Sept. 28, 1916.

Finance - Economics

GARET GARRETT, Editor.

WALL STREET OFFICE: Mills Building, 15 Broad St. Telephone: Hanover 6514.

Saturday, October 7, 1916.

On Friday Wall Street was suddenly confronted with a thought of peace. The head of a large trust company, after a conference with some equally "important financial interests," sent for the reporters and impressed them with the rumor that Ambassador Gerard, now on his way to Washington from Berlin, was bringing peace overtures from the German government. The stock market suffered a decline. It was not severe, but it was significant. The thought of peace was not susceptible of bullish construction. That was clear. Before the opening of the stock market on Saturday the eminent banker's anonymous communication to the reporters had been discredited, in Wall Street and at Washington. Also, people were reminded that, even if it were true that peace proposals were on their way to Washington, they were proposals merely, and no implications of peace immediately or necessarily arose. On Saturday the stock market rallied. It did not become buoyant. But it recovered from the start it had felt. This, too, was significant. The thought of war continuing was susceptible of bullish interpretation.

Wall Street's ambiguous attitude toward peace is convincingly expressed by "The New York Times": "Peace should be sought at the earliest possible date, even though it would mean grave consequences to business, but happily we can look forward to peace without fearing the effects upon this country's economic future."

There was once an exceptional man in Wall Street, a member of the New York Stock Exchange, who admitted all that could be said in theory to justify "short selling," and yet protested against it for moral reasons. Where one's profit is there one's heart is also. A man who had sold what he did not own—that is, one who had borrowed stocks to sell for a fall—could not help wishing for calamitous things to happen. He would view events in the light of his own profits. To a man short of stocks on August 1, 1914, the news that Europe had entered a state of war was "good news." Prices would fall and he would make large gains. Well, the converse of this is that all who have capitalized the prosperity derived from Europe's blood necessities almost cannot hear rumors of peace without mixed feelings. Will not prices fall on peace? That is the first question. No normal person, for the sake of his own profits, would consciously or deliberately prefer a state of war to continue, and yet it will be an effort for him to reconcile himself, not to the idea of peace, mind you, but the probable effect of peace upon his immediate prosperity.

It is no comfort to the speculator, trading in war profits and gambling upon the duration of the war, to hear that the economic future of his country will be not adversely affected. It is the immediate future of the stock market he is thinking of, or the earnings in the next six months of the steel, copper and munitions making corporations whose shares he holds for a rise. The economic future of the country will take care of itself. He will know what to do with that as it develops. War thrust amazing prosperity upon the neutrals, especially the United States, but at first it was a calamity and produced panic on all the stock exchanges of the world. One who had held stocks for the after effects might have gone bankrupt for his theory. In the same way, a speculator who should hold stocks through the adjustments incident to the world's return to a state of peace might ultimately arrive at a profit—provided he had been able to hold them.

The world now is widely adjusted to a state of war. The process of readjustment to a state of peace will entail terrific confusion. The commercial and financial panic produced by the shock of war at first was not owing to any definite misconception of probabilities, not to any suggestion that Europe's demands upon our surplus resources would be lessened, nor to any thought of bankruptcy among the belligerents. Most people thought it would be a short war, and those who thought differently could see very clearly that the greatest neutral country on earth would have an unlimited war market for its goods. Yet there was panic. It was owing, first, to the fear of sudden transitions, and, secondly, to the certainty that Europe, our principal customer for merchandise, though she might want even more goods than in time of peace, would want different things on different terms. There is equal certainty that after the war Europe, though she may continue to want a great many goods, will want different things on different terms. But whereas, in war, her wants were imperative, so that she had to buy goods wherever there was a surplus and pay any price to obtain them, in the new time of peace, on the contrary, she will be able to choose, to bargain and to wait. Competition will have been restored in the world.

It is well to remember, when talking of trade conditions after the war, first, that during the war American trade has been enormously expanded as in a vacuum, because there has been no competition, and, second, that the actual productive power of Europe, by all indications, has been increased to a point never touched in times of peace.

"The Statist's" Apology.

A tremendous furore was produced by an article in the mid-September number of "The London Statist" calmly calling attention to the fact that if the war was likely to continue another year the world might as well begin to reconcile itself to the thought of a suspension of specie payments by the Bank of England. "Your people," says the London correspondent of "The New York Evening Post," "need not have paid any attention to the recent absurd article in 'The Statist.' The article was apparently the production of a political or financial crank entirely out of touch with city affairs, and it was written while the responsible editor was away. It is known that the article gave grave offence to the government."

One could so imagine. The board of censors has probably had a very bad fortnight. "The Statist," the second best known financial and economic journal in the English language, should have known better to begin with, and the issue containing so explosive an article ought not to have got out. The issue next following is now at hand. The "responsible editor" is again on the job, apparently. He evidently cannot find it in him to repudiate the article of the crank, or, at least, he doesn't repudiate it, and yet he makes amends. It is a very common fallacy, he writes, to suppose that during a great war the one desire of a country is to emphasize the favorable points of its condition. The reverse, in fact, is often the case. Indeed, so strong is the condition of Great Britain that one is under great danger of forgetting the good points and stressing the bad, in a purely intellectual mood. The crank's gold article is not once mentioned. The responsible editor continues:

> So far from shutting down upon our own gold supplies, we must have sent abroad since the war began very little short of £250,000,000, most of which has come from our own stores (including the output from South Africa), the amount contributed by the Allies, though useful and timely, being, of course, moderate when compared with the huge size of the credits granted by us. And yet in spite of the freedom with which this gold has been outpoured our central stock of the metal is some £15,000,000 greater than it was previous to the war, while in addition nearly £30,000,000 of gold has, of course, been set aside on account of the note currency reserve. Needless to say, these gold exports in settlement of trade balances have been supplemented by the mobilization of our other resources as expressed in public securities, but the points to be noted at the moment are, first, that all legitimate demands from neutral countries have been promptly met; second, that all other credits raised, whether with or without collateral, have been of a purely voluntary character on the part of the neutral countries, thus expressing confidence in Great Britain's credit; and, third, that at the end of over two years of war our gold and other resources are such that, combined with the fact that imports themselves are likely to show reduction in the comparatively near future, the anxiety which might well have been expressed at the beginning of the war concerning Britain's position as the great gold centre may be said to cease to exist.

Then, lest he has been too hard on the crank, he thinks it necessary to add:

> Nevertheless—and in recording, as we are bound to do, these favorable developments—we must once again add that to those who take a long view of the situation, with the possibility of a protracted war, there is still no justification for relaxation of caution, whether as regards monetary conditions in Lombard Street or the question of general private expenditure.

No one has predicted a suspension of specie payments by the Bank of England. All that "The Statist" said, in the absence of its responsible editor, was that if the war continued a point would presently be reached at which Great Britain could not go on paying in gold for goods on the scale of her present buying. And that every one knows. It was something that seemed almost too delicate for international discussion.

GOLD RESERVES IN GERMANY INCREASE

Note Circulation Is Covered to Extent of 34 Per Cent.

Berlin, Oct. 7 (by wireless to Sayville, N. Y.)—"Recent publications by central banks of issue in belligerent countries show interesting developments since the beginning of the war," says the Overseas News Agency. "At the end of July, 1914, the circulation of banknotes, covered by gold reserves, was 89.2 per cent by the Russian State Bank, 62 per cent by the Bank of France, and only 43.1 per cent by the German Reichsbank. During the war, however, the relation has changed completely.

"While the German gold reserve has increased uninterruptedly, the Russian and French gains have been slower in proportion to the increase in the circulation of notes. Thus, the Russian proportion in March, 1915, was only 50 per cent, and since the middle of the same year it has been lower than the Reichsbank. At the end of August, 1916, 34.2 per cent of the notes of the Reichsbank were covered by gold, while the Bank of France had only 25.8 per cent and the Russian State Bank 22.6 per cent.

"The proportion in the case of the Reichsbank increased further during September and reached 36 per cent on September 23. The proportion of the Bank of France declined further, and on October 5 was at 24.5 per cent.

"Germany, although cut off from gold importations, still has a vast gold reserve. The amount of coined gold in circulation is estimated at 500,000,000 marks, in addition to which large quantities are in possession of private citizens."

Money and Credit

The actual condition of the New York Clearing House banks on Saturday was as follows:

Loans and discounts	$3,354,896,000
Reserve in own vaults	429,797,000
Reserve in Fed. Res. Bank	170,122,000
Reserve elsewhere	53,861,000
Net demand deposits	3,313,413,000
Net time deposits	168,098,000
Circulation	31,082,000
Aggregate reserve	653,780,000
Excess reserve	82,555,480

The changes from the actual condition of the week before were:

Loans and discounts	Inc.	$7,458,000
Net demand deposits	Inc.	11,903,000
Net time deposits	Inc.	1,775,000
Circulation	Dec.	67,000
Reserve	Dec.	3,800,000
Surplus	Dec.	6,634,090

New York Federal Reserve.—The condition of the Federal Reserve Bank of New York at the close of business Friday, compared with the previous week, follows:

Resources.	Oct. 6.	Sept. 29.
Gold reserve	$172,988,850	$169,293,490
Legal tender money	8,925,410	3,292,692
Tot'l reserve	$181,914,260	$172,586,182
Discounts	24,244,558	25,311,419
Investments	10,416,187	7,851,187
Fed. Res. notes (net)	7,967,775	13,212,735
All other resources	219,766	348,798
Total res'ces	$224,762,547	$219,310,322
Liabilities.		
Capital	$11,901,850	$11,601,850
Res've deposits (net)	194,769,938	191,183,674
Govt. deposits	2,944,627	5,672,878
Due to other Fed. Reserve banks (net)	15,146,132	10,851,919
Total liabilities	$224,762,547	$219,310,322
Fed. Res. notes outstanding	$75,601,500	$78,413,600
Against which there is deposited with Fed. Res. Agt. gold and lawful money	75,601,500	78,413,600

Bank Exchanges.—The day's clearings at New York and other cities:

	Exchanges.	Balances.
New York	$669,325,516	$32,637,753
Baltimore	5,666,104	646,128
Boston	35,456,376	4,812,934
Philadelphia	47,722,725	2,921,113

Sub-Treasury.—New York banks lost to the Sub-Treasury $494,000.

Silver.—Bars in London, 32½ pence; here in New York, 68¾ cents; Mexican dollars, 52½@55½.

The Gold Import Problem.—According to the Wagel bullion circular, the problem of gold is agitating bankers both here and in England. It is not at all unlikely that some attempt may be made to stop further imports of gold into this country.

Federal Reserve Banks.

Washington, Oct. 7.—Continued liquidation of discounts and acceptances, large purchases of municipal warrants and considerable transfers of gold to the agents to reduce the banks' liabilities on notes issued to them, accompanied by substantial gains in member bank deposits, are indicated by the weekly bank statement of the Federal Reserve Board.

The aggregate cash reserves of the banks increased during the week by about $6,000,000, while total gold reserves show a slight decline. Combined gold holdings of the banks and agents are now about $592,000,000, a gain for the last six months of about $84,000,000, of which $24,000,000 represents the increase of gold in the hands of the agents and $60,000,000 the increase of gold in the hands of the banks.

Considerable shiftings of gold between the banks are shown, largely the result of transfers on the books of the Gold Settlement Fund. Boston reports a decrease of over $6,000,000 in its gold reserve, which is due in part to net withdrawals of government and member bank deposits, the building up of large favorable balances in account with other Federal Reserve banks, and the transfer of gold to the agent.

The Federal Reserve Board's statement yesterday of the combined resources and liabilities of the twelve Federal Reserve banks on October 6 follows:

RESOURCES.	
In Money:	
Gold coin and certificates in vault	$265,626,000
Gold settlement fund	119,441,000
Gold redemption fund with U. S. Treasurer	11,910,000
Total gold reserve	$386,977,000
Legal tender notes, silver, etc.	13,991,000
Total reserve	$400,968,000
Five per cent redemption fund against Fed. Res. Bank notes	$500,000
In Bills Discounted:	
Maturities—	
Within 10 days	$15,061,000
From 11 to 30 days	26,810,000
From 31 to 60 days	32,112,000
From 61 to 90 days	24,947,000
Over 90 days	1,164,000
Total	$101,094,000
Investments:	
United States bonds	$44,370,000
One-year United States Treasury notes	8,763,000
Municipal warrants	29,085,000
Total earning assets	$183,312,000
Federal Reserve notes—net	$14,894,000
Due from Federal Reserve banks—net	26,232,000
All other sources	3,045,000
Total resources	$628,951,000
LIABILITIES.	
Capital paid in	$55,684,000
Government deposits	33,971,000
Member bank deposits, net	526,019,000
Federal Reserve notes, net	11,782,000
Federal Reserve banknotes in circulation	1,033,000
All other liabilities	462,000
Total liabilities	$628,951,000

Gold reserve against net deposit and note liabilities, 70.9 per cent.

Cash reserve against net deposit and note liabilities, 73.5 per cent.

Cash reserve against net deposit liabilities after setting aside 40 per cent gold reserve against aggregate net liabilities on Federal Reserve notes in circulation, 74.2 per cent.

In the above statement the principal items compare with a year ago as follows:

Total gold reserve	Inc.	$2,146,000
Bills discounted	Inc.	55,729,000
Member bank deposits	Inc.	199,232,000
Federal Reserve notes in circulation	Dec.	3,443,000

The Dollar in Foreign Exchange.

Stagnation again characterized the week in the foreign exchange market. Sterling rates were unchanged from the preceding week with London sight drafts holding at 4.75 11/16. A continuance of the firm tone displayed by French exchange was again associated with the success attending the offering of the $50,000,000 City of Paris loan. Exchange on Berlin, after a dip early in the week, left off a fraction above 70 cents and Austrian kronen moved in sympathy with marks. Russian rubles were easier. Neutral exchanges were quiet with a tendency toward ease in Scandinavian remittances.

If you calculate the cost of the dollar in terms of foreign money—that is, as if you were buying dollars with pounds, marks or francs—its value at the close of last week as compared with a year ago would be about as follows:

Cost of one dollar.	Yesterday.	Year ago.
In English money	$1.02	$1.03
In French money	1.12	1.12
In Dutch money	.99	.99
In German money	1.33	1.16
In Swiss money	1.02	1.03
In Swedish money	.95	.99
In Russian money	1.56	1.57

Changes in yesterday's market were only nominal.

	Yesterday.	Week ago.
Sterling, demand	4.75 11/16	4.75¾
Sterling, sixty days	4.71½	4.71¾
Sterling, cables	4.76 7/16	4.76½
Sterling, ninety days	4.69¼	4.69½
Francs, demand	5.84¼	5.86⅛
Francs, cables	5.83½	5.85⅜
Guilders, checks	40⅞	40¾
Guilders, cables	40 15/16	40⅞
Reichsmarks, checks	70¼	70⅝
Reichsmarks, cables	70⅜	70¾
Lire, checks	6.47¼	6.46
Lire, cables	6.46½	6.45½
Swiss, checks	5.31¼	5.33⅛
Swiss, cables	5.30½	5.32½
Austrian, kronen, ch'ks	11.98	12.05
Stockholm, kr., checks	28.40	28.50
Copenhagen, kr., checks	28.20	28.30
Pesetas, checks	20.12	20.13
Rubles, checks	31.75	32.30

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75 11/16	$4.86⅝
Francs	0.17.1	0.19.3
Guilders	0.40⅞	0.40.2
Marks	0.17.7	0.23.8
Rubles	0.31.75	0.51.2
Lire	0.15.5	0.19.3
Crowns (Denmark)	0.28.20	0.26.8
Crowns (Sweden)	0.28.40	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling for $4.75 11/16; the intrinsic parity is $4.86⅝ per pound. Thus, you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

EMMA COPPER ROW AROUSES CURB MEN

Adds Impetus to Movement to Reorganize Market.

Events of the last week on the Broad Street curb market in connection with transactions in Emma Copper issues have so incensed influential members of the New York Curb Market Association that steps in the direction of a reorganization will probably be taken sooner than expected.

E. R. McCormick, chairman of the association and also of the special committee appointed last spring to draw up a readjustment programme, said yesterday that while none of the recognized curb traders has been connected with the alleged short selling in the Emma stocks, the whole affair has undoubtedly reacted unfavorably on the entire outside market. The principal figure in the transactions has been George Graham Rice, who is now known as a promoter of mining stocks. Rice is not a member of the Curb Market Association.

The unfavorable publicity given the affairs of the curb last week, in Mr. McCormick's opinion, has added much force to arguments that the members of the association should be segregated from open air traders who have no other apparent financial backing than their own word.

There will be a meeting of the special committee, of which Mr. McCormick is chairman, on Wednesday to take up anew the plan that was temporarily abandoned early in the summer owing to the opposition of fifty Stock Exchange firms who have their own representatives on the Broad Street market. This plan, among other things, provided that the members of the association should trade under a roof, have a ticker service similar to that on which Stock Exchange transactions are transmitted and that the rules of membership should be more stringent.

Opposition from Stock Exchange sources to the efforts of the curb authorities to improve trading conditions in the securities that are not listed on the "big board" is expected to develop again. No official explanation was ever given by the Stock Exchange firms for their objections to the plan to take the curb indoors. It is now the intention of the McCormick committee to have these objections brought to the attention of the public.

CHESAPEAKE & OHIO EARNS 10 PER CENT

Gross Revenues for 1916 Increase Nearly $9,000,000.

The annual report of the Chesapeake & Ohio Railway, made public yesterday, showed that in the year ended June 30 last the company earned a surplus after charges of $6,879,216, equal to 10.96 per cent on the $62,792,600 stock outstanding, an increase of $4,215,679 over the previous year, when 4.24 per cent was earned on the same stock.

Gross earnings last year increased $8,774,975, or 22.24 per cent, and net operating income was 40.77 per cent larger than in 1915. There was a net increase of $8,770,608 in the interest bearing debt outstanding. In the last fiscal year the percentage amount of return upon the total property investment from transportation operations was 5.79 per cent, compared with 4.09 per cent in 1915. The income account for the year compares with 1915 as follows:

	1916.	1915.
Total op. rev.	$48,239,012	$39,464,037
Operating exp.	31,789,179	27,556,413
Net op. rev.	16,449,833	11,907,623
Other income	1,181,534	1,018,219
Total income	17,631,367	12,925,843
Charges & taxes	10,752,151	10,262,306
Net income	6,879,216	2,663,537
Dividends	——	627,816
Surplus	6,879,216	2,045,721

Ghosts.

To the Financial Editor:

Many readers of your page would appreciate mention of R. R. cripples like M. K. & T. Monthly earnings now over $3,000,000 and 5 per cent bonds selling at 38! There are others. Special reasons may forbid mention at this time. Would affect Wall Street bulls like the ghost in "Macbeth," I suppose, is the best reason.

THOMAS BURNS.

New York, Sept. 29, 1916.

OTHER SIDE OF THE WAR PROFIT

South American Corporations Suffer Loss of Income; Securities Fall.

Shares of South American corporations listed on the London Stock Exchange have suffered severe declines since the outbreak of the war in Europe. Most of these securities are little known in the United States, but under ordinary circumstances there is a good investment market for them in England. Information concerning the affairs of some of the companies whose securities have fared badly is contained in a report from Special Agent Frederick M. Halsey at London, issued by the Bureau of Domestic and Foreign Commerce at Washington.

Ordinary stock of the Central Uruguay Railroad of Montevideo, for instance, has declined sensationally owing to the suspension of dividends since the beginning of the war. The stock sold at 114 in 1912 and at 106½ during 1913, in which year a dividend of 6½ per cent was paid, but the present quotation is not far from 50.

The railroad is about one thousand miles in length, including several extensions, and is the principal commercial highway in the Republic of Uruguay. In normal times the system earns about $6,000,000 gross a year, but 1914-'15 receipts dropped to $4,600,000, and there was little recovery in the year 1915-'16. The company has £2,000,000 of ordinary stock outstanding.

Peruvian Corporation.

Preference shares of the Peruvian Corporation, which are more or less speculative, have declined from 54⅞ in 1913 to about 24. The ordinary shares sell at about 4½, and are of value only because they carry the controlling interest in the corporation. The report states that:

> The Peruvian Corporation was formed in 1890 in the interest of the holders of the £51,423,190 bonds of the Republic of Peru, the republic having defaulted on these obligations principally on account of the war with Chile, which war cost Peru its vast nitrate deposits. The Peruvian Corporation took over, among other assets, and agreed to complete the construction of, a number of railway lines, and was granted the right of free navigation on Lake Titicaca. The government also turned over to the corporation 3,000,000 tons of guano and agreed to pay the sum of £80,000 per annum to the corporation until the year 1923. The annuities are secured by the customs receipts of the port of Callao. Since the war payments of portions of this annuity have been deferred.
>
> The present capitalization of the corporation consists of approximately £4,900,000 of an original issue of £6,000,000 mortgage sinking fund bonds, on which interest is paid at the rate of 4 to 6 per cent, in accordance with yearly profits; £7,500,000 4 per cent cumulative preference shares, and £9,000,000 ordinary shares.
>
> Dividends at the rate of 2½ per cent per annum were paid on the preference shares during the years 1911 to 1914, inclusive. In 1915 the corporation's earnings were so greatly reduced that only one-fourth of 1 per cent was paid. The gross revenues from the operation of railways and steamers for the year 1914-'15 was only 8,304,769 Peruvian soles ($4,041,515), as compared with 12,336,249 soles ($6,003,435) in 1913-'14. Likewise net receipts declined from 4,516,111 soles ($2,197,765) to 2,634,816 soles ($1,282,230). Gross receipts for 1915-'16 were 9,763,497 soles ($4,751,400).
>
> At the present date there is approximately 80 per cent in back dividends due and unpaid on the preference shares. The ordinary shares are not likely to obtain any dividends for many years to come.

Traffic in Brazil Suffers.

Railways in Brazil have likewise suffered a loss of earnings, and their securities have declined. Mr. Halsey reports that:

> Before the war the Great Western of Brazil Railway, operating over 1,000 miles of main track, with the city of Pernambuco as its principal base, enjoyed considerable prosperity. Its gross receipts for the year 1913 reached the total of $3,845,000; in 1914 it fell off to $3,119,425, and in 1915 there was a further decline to $2,506,250.
>
> Dividends at the rate of 6 per cent were paid on the preference and ordinary shares for many years prior to 1914. The ordinary dividend was passed in 1914, and in 1915 the preference dividend was likewise passed. There is outstanding at the present time £306,250 permanent 6 per cent debenture stock, £1,631,400 4 per cent debentures, £1,000,000 preference shares and £1,250,000 ordinary shares. The 4 per cent debentures sold at 88¾ during 1913. As of July 27, 1914, the price was 82 and the present price is 69¾. The 6 per cent debenture stock has declined in price from 133 to 101½; the preference shares, from £12, par £10 share, in 1913, to £7½. The ordinary shares, par £10, which sold at £11 in 1913, have sold down to the present low figure of £5¾.

Significant Relations

Money and Prices:	Now.		A year ago.
Stock of money gold in the country	$2,625,741,473		$2,056,732,138
	Latest report, June 30.		Nearest period last year.
Loans of all national banks	$7,679,000,000		$6,659,971,000
Ratio of their cash to deposits	9.3%		11.9%
	Last week.		A year ago.
Loans of Federal Reserve Banks	$101,094,000		$45,365,000
Their note circulation, net	14,894,000		15,523,000
Their gold reserve against deposits and circulation	70.9%		81.5%
	Yesterday.	The day before.	A year ago.
Average price of 15 railroad stocks	124.42	124.57	115.45
Average price of 12 industrial stocks	102.83	102.25	93.22
	Last week.	The w'k before.	A year ago.
Food cost of living (Annalist index number)	186.20	186.69	138.06
Production:	August.	July.	A year ago.
Unfilled U. S. steel orders, tons	9,660,357	9,593,592	4,908,455
	Latest gov't forecast.		Last year's crop.
Wheat crop, bushels	611,000,000		1,012,000,000
Corn crop, bushels	2,710,000,000		3,055,000,000
Cotton crop, bales	11,637,000		11,191,320
Distribution:	September.	August.	A year ago.
Shortage of freight cars	14,281	——	——
Surplus of freight cars	——	10,616	264,243
	Increase or decrease from last year. Third week of Sept. (24 roads)	Second week of Sept. (26 roads)	Jan. 1 to July 31 (77 roads)
Gross railroad earnings	+13.2%	+14.2%	+20.9%
	Increase or decrease from last year. Last week	The w'k before.	Year to date.
Bank clearings	+28.9%	+26.3%	+41.4%

LABOR TROUBLES BEGIN IN JAPAN

Organization of Workers Difficult, Owing to Small Industrial Units.

Although the Japanese manufacturing industry has entered upon the phase of modern evolution, the labor movement there has been slow in its progress and limited in its extent. Now, however, signs are appearing that the Japanese laborer, like his Occidental brother, is becoming restive under the new order of things and is beginning to learn the importance of organization.

Recently in an article appearing in the Japanese section of "The London Times" Dr. Kumazo Kutawa set forth some interesting facts bearing on the growth of the movement in Japan. Owing to the low standard of living, the claims of the Japanese in regard to wages were until recently moderate, but since the Russian war, on account of the rapid progress of the nation and a financial policy which does not hesitate to levy a heavy tax on the consumer, the enhancement of the cost of living has been great, while the increase of wages has been less in proportion. This has given birth to antagonism between capital and labor, and a labor movement has made its appearance as a natural consequence.

The chief difficulty the Japanese labor agitators have been confronted with in spreading their propaganda has been the character of Japanese industrial life. Dr. Kutawa says:

> Japan is still a land of small industries, where the concentration of factories is at an early stage. According to official statistics, in 1909 the total number of factories employing over five hands was 32,323, and the workpeople in these factories 1,012,313. Silk filatures, which stand in a leading position in relation to our export industries, are conducted on a small scale. In cotton weaving the number of mechanical looms is very few, while domestic industry and small manufacturers predominate. Assuming that the growth of the labor movement keeps pace with industrial concentration it is no wonder that the movement is but poorly developed in Japan.

More women than men are employed in Japanese industries, and this is given by Dr. Kutara as another reason why the labor movement in that country is still in a primitive stage. The movement is also under legal restrictions, there being a "peace preservation law" in Japan which prohibits any strike, whether carried on through violence or intimidation, under penalty of imprisonment or fine. This law has been vigorously enforced of late, Dr. Kutara says, because the government has become alarmed over the tendency of the times.

Canada Wants a Blacklist.

Attention has been called in these columns to the fact that a blacklist of enemy firms has not been established in Canada. It will be recollected that more than two months ago the British government established a blacklist of United States firms with which citizens of the United Kingdom were forbidden to trade. Much unfavorable comment has been heard because Canada as yet has failed to follow the example. As it is illegal and undesirable for citizens of Great Britain to trade with these enemy firms, it is equally undesirable for Canadians to trade with them. The attention of the authorities at Ottawa has been called to this matter, and it is pleasing to know that they are giving it consideration. It is scarcely too much to hope and anticipate that the Dominion, as a unit of the British Empire, will fall into line in this important matter as it has done in others.—The Monetary Times (Canada).

BUSINESS TROUBLES

Bankruptcy Petition.

FILIPPO MESSURI, of 2008 First av., formerly a wholesale grocer, has filed a petition, with liabilities of $9,156 and no assets. Among the creditors are the Guaranty Trust Co., $2,142; the State Bank, $1,113; F. Romeo & Co., Brooklyn, $1,375, and Giacomo Costa, $1,125.